

Program B: Injured Worker Reemployment Program

Program Authorization: LRS 23:1371-1379

PROGRAM DESCRIPTION

The mission of the Injured Worker Reemployment Program is to encourage the employment of workers with a permanent condition that is an obstacle to employment or reemployment, by reimbursing the employer or if insured their insurer for the costs of workers' compensation benefits when such a worker sustains a subsequent job related injury. The Injured Worker Reemployment Program obtains assessments from insurance companies and self-insured employers, and reimburses those clients who have met the prerequisites.

The goals of the Injured Worker Reemployment Program are:

1. Ensure prompt reimbursement to employers and insurers for qualifying claims.
2. Maintain adequate funding.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To accurately process 100% of the claims received from employers and insurance carriers, setup all claims within 5 days of receipt of notice of claims form, and render a decision within 180 days of setting up the claim.

Strategic Link: *Goal IV - The development of the OWCA into a reporting of expenditures, adjudication of claims, coordination for safer workplaces and incentives for re-employment of injured employees.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE	ACTUAL YEAREND	ACT 11 PERFORMANCE	EXISTING PERFORMANCE	AT CONTINUATION	AT RECOMMENDED
		STANDARD	PERFORMANCE	STANDARD	STANDARD	BUDGET LEVEL	BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
S	Total claims closed	1,900	973	1,900	1,900	1,000	1,000
S	Number of decisions rendered	1,700	993	1,700	1,700	1,000	1,000
S	Number of claims pending	3,400	3,206	3,000	3,000	3,300	3,300
S	Percentage of denials resulting in suits	4%	5%	4%	4%	5%	5%
S	Total claims payment	\$29,587,000	\$31,458,190	\$29,900,000	\$29,900,000	\$30,458,190	\$30,458,190
S	Percentage of administrative cost to total claims payment	2%	1.4%	3%	3%	2%	2%
K	Percentage of claims set up within 5 days	Not applicable ¹	Not available	90%	90%	90%	90%
K	Percentage of decisions rendered by board within 180 days	Not applicable ¹	Not available	35%	35%	35%	35%

¹ New indicator added for FY 2000-2001, therefore the indicator has yearend performance standard for FY 1999-2000. Data for this indicator was not collected prior to its inclusion for budget decision making in FY 2000-2001.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	28,541,809	30,269,273	30,269,273	30,200,765	30,179,826	(89,447)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$28,541,809	\$30,269,273	\$30,269,273	\$30,200,765	\$30,179,826	(\$89,447)
EXPENDITURES & REQUEST:						
Salaries	\$321,034	\$395,763	\$395,763	\$316,528	\$306,471	(\$89,292)
Other Compensation	10,130	7,117	7,117	7,117	7,117	0
Related Benefits	43,782	65,898	65,898	66,861	56,857	(9,041)
Total Operating Expenses	80,003	43,927	43,927	44,805	43,927	0
Professional Services	47,618	31,000	31,000	31,000	31,000	0
Total Other Charges	28,022,865	29,713,374	29,713,374	29,713,374	29,713,374	0
Total Acq. & Major Repairs	16,377	12,194	12,194	21,080	21,080	8,886
TOTAL EXPENDITURES AND REQUEST	\$28,541,809	\$30,269,273	\$30,269,273	\$30,200,765	\$30,179,826	(\$89,447)
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	13	13	13	13	13	0
Unclassified	0	0	0	0	0	0
TOTAL	13	13	13	13	13	0

SOURCE OF FUNDING

This program is funded with Statutory Dedications from the Louisiana Worker's Compensation - Second Injury Fund. (Per R.S. 39:32b.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) This Fund is administered by five board members: the State Treasurer, Commissioner of Insurance, Director of Worker's Compensation, Secretary of the Department of Social Services and the Secretary of State. Each insurance carrier and the self-insured employer is assessed an annual assessment based on a percentage of the total paid Worker's Compensation benefits. The Board may suspend or lower this assessment rate annually.

	ACTUAL	ACT 11	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	1999- 2000	2000 - 2001	2000 - 2001	2001 - 2002	2001 - 2002	OVER/(UNDER)
						EXISTING
Louisiana Worker's Compensation 2nd Injury Board Fund	\$28,541,809	\$30,269,273	\$30,269,273	\$30,200,765	\$30,179,826	(\$89,447)

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$30,269,273	13	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	
\$0	\$30,269,273	13	EXISTING OPERATING BUDGET – December 15, 2000
\$0	\$25,319	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$0	\$25,319	0	Classified State Employees Merit Increases for FY 2001 -2002
\$0	\$21,080	0	Acquisitions & Major Repairs
\$0	(\$12,194)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$97,785)	0	Salary Base Adjustment
\$0	(\$51,186)	0	Attrition Adjustment
\$0	\$30,179,826	13	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$30,179,826	13	BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$30,179,826	13	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 98.0% of the existing operating budget. It represents 99% of the total request (\$30,192,491) for this program. The 1% decrease is due to attrition adjustment. This program does not have any positions, which have been vacant for one (1) year or more.

PROFESSIONAL SERVICES

\$10,000	Legal services for contract attorneys to assist in high legal appeals of cases denied for reimbursement of Worker's Compensation claims
\$21,000	Actuarial study of claims required by the legislative auditor to determine validity and accuracy of unfunded liability
\$31,000	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$29,163,516	Reimbursement to insurance carriers for costs' of Worker's Compensation benefits when an eligible worker sustains a subsequent job related injury
\$29,163,516	SUB-TOTAL OTHER CHARGES
	Interagency Transfers:
\$158,115	Department of Justice-Legal Services
\$3,408	Division of Administration-Comprehensive Public Training Program (CPTP)
\$388,335	Funding transferred to the Department of Justice for services rendered
\$549,858	SUB-TOTAL INTERAGENCY TRANSFERS
\$29,713,374	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$21,080	This funding will purchase 10 pc's.
\$21,080	TOTAL ACQUISITIONS AND MAJOR REPAIRS